United Nations S/2000/950

Security Council

Distr.: General
3 October 2000

Original: English

Letter dated 3 October 2000 from the Secretary-General addressed to the President of the Security Council

I should like to express my very serious concern that, despite the commendable efforts that have been made since May 2000, the total value of holds placed on applications for contracts submitted under the humanitarian programme pursuant to Security Council resolution 986 (1995) of 14 April 1995 exceeded $2 billion ($2.022 billion) as at 27 September 2000, involving a total of 1,204 applications.

The value of holds represents 13.5 per cent of the total value of applications circulated to the Security Council Committee established by resolution 661 (1990). The relative value of holds are highest in the sectors of transport and telecommunication (45 per cent) and electricity (35.6 per cent), while in the food handling, education, water and sanitation, and oil sectors, the relative values of holds all stand at approximately 20 per cent. As stated in my recent report to the Security Council (S/2000/857), this situation renders the distribution of humanitarian aid and the amelioration of the overall situation more difficult and places an additional strain on the already heavily burdened population by delaying the arrival and use of many key supplies and equipment essential to all sectors.

In 45.6 per cent of the cases, the need for technical specifications or information from the applicant missions and their respective suppliers was cited as the reason for holds, while in 10.4 per cent of the cases, "end-use/user" information was requested, which should be provided by the Government of Iraq.

Furthermore, the list of oil spare parts and equipment related to phase VIII projects and the list of additional items for the agriculture sector which, pursuant to paragraphs 18 and 17 of Security Council resolution 1284 (1999) of 17 December 1999, were submitted by the Secretariat for approval to the Committee on 8 August and 8 September 2000, respectively, have been placed on hold.

In addition to holds placed on applications, a matter of serious concern in the effective implementation of the programme is the excessive number of applications received by the Secretariat, which are either incomplete or awaiting additional technical information from the suppliers. The total value of such applications, as at 18 September 2000, was $1.1 billion. Accordingly, the Office of the Iraq Programme has just launched yet another vigorous campaign with all permanent and observer missions in order to reduce the number of incomplete applications.

00-67230 (E) 031000

I would like to call on all concerned parties to do their utmost in expediting the processing and approval of the applications for contracts in order to ensure the effective implementation of the humanitarian programme in Iraq.

(Signed) Kofi A. **Annan**